

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE JUNE 16, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1503

Introduced by Assembly Member Lieu

February 27, 2009

An act to *amend Section 127405 of, to amend and renumber the heading of Article 3 (commencing with Section 127400) of Chapter 2 of, to add the heading of Chapter 2.5 (commencing with Section 127400) to, and to add Article 2 (commencing with Section 127450) to Chapter 2.5 of, Part 2 of Division 107 of the Health and Safety Code, relating to emergency medical care billing.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1503, as amended, Lieu. Health facilities: *physicians and surgeons*: emergency medical care: billing.

Existing law provides for the licensure and regulation of health facilities by the State Department of Public Health. Existing law requires each hospital, as a condition of licensure, to maintain written policies about discount payment and charity care for financially qualified patients, as defined. These policies are required to include, among other things, a section addressing eligibility criteria, as prescribed. Existing law requires each hospital to perform various functions in connection with the hospital charity care and discount pay policies, including providing patients with notice that contains information about the hospital's discount payment and charity care policies, including information about eligibility and attempting to determine the availability of private or public health insurance coverage for each patient. Existing

law also specifies billing and collection procedures to be followed by a hospital, its assignee, collection agency, or billing service.

This bill would provide that uninsured patients or patients with high medical costs who are at or below 350% of the federal poverty level are eligible to apply to a physician and surgeon who provides emergency medical services in a general acute care hospital for a discount payment pursuant to a discount payment policy. The bill would require the physician and surgeon to limit expected payment for services provided to a patient at or below 350% of the federal poverty level and who is eligible under the physician and surgeon's discount payment policy to the amount of payment that the physician and surgeon would expect, in good faith, to receive, as determined pursuant to a prescribed physician and surgeons rate database. The bill would, until the database includes California, limit reimbursement to the higher of rates that the physician and surgeon would receive for providing services from specified government-sponsored health programs, *as specified*.

~~The bill would require the physician and surgeon to perform various functions in connection with the discount payment policy, including providing patients with notice that contains information about the physician and surgeon's discount payment policy, including information about eligibility and attempting to determine the availability of private or public health insurance coverage for each patient. bill would require the above-described written notice that hospitals are required to provide patients regarding the hospital's charity care and discount pay policies to include a statement that a physician and surgeon who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350% of the federal poverty level.~~ The bill would also specify billing and collection procedures to be followed by a physician and surgeon, its assignee, collection agency, or billing service.

This bill would provide that a violation of the above provisions shall not constitute a violation of the terms of a physician and surgeon's licensure.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The heading of Chapter 2.5 (commencing with
2 Section 127400) is added to Part 2 of Division 107 of the Health
3 and Safety Code, immediately preceding Section 127400, to read:

4
5 CHAPTER 2.5. FAIR PRICING POLICIES

6
7 SEC. 2. The heading of Article 3 (commencing with Section
8 127400) of Chapter 2 of Part 2 of Division 107 of the Health and
9 Safety Code is amended and renumbered to read:

10
11 Article 1. Hospital Fair Pricing Policies

12
13 *SEC. 3. Section 127405 of the Health and Safety Code is*
14 *amended to read:*

15 127405. (a) (1) (A) Each hospital shall maintain an
16 understandable written policy regarding discount payments for
17 financially qualified patients as well as an understandable written
18 charity care policy. Uninsured patients or patients with high
19 medical costs who are at or below 350 percent of the federal
20 poverty level, as defined in subdivision (b) of Section 127400,
21 shall be eligible to apply for participation under a hospital's charity
22 care policy or discount payment policy. Notwithstanding any other
23 provision of this article, a hospital may choose to grant eligibility
24 for its discount payment policy or charity care policies to patients
25 with incomes over 350 percent of the federal poverty level. Both
26 the charity care policy and the discount payment policy shall state
27 the process used by the hospital to determine whether a patient is
28 eligible for charity care or discounted payment. In the event of a
29 dispute, a patient may seek review from the business manager,
30 chief financial officer, or other appropriate manager as designated
31 in the charity care policy and the discount payment policy.

32 (B) *The written policy regarding discount payments shall also*
33 *include a statement that a physician and surgeon who provides*
34 *emergency medical services in a hospital that provides emergency*
35 *care is also required by law to provide discounts to uninsured*
36 *patients or patients with high medical costs who are at or below*
37 *350 percent of the federal poverty level.*

(2) Rural hospitals, as defined in Section 124840, may establish eligibility levels for financial assistance and charity care at less than 350 percent of the federal poverty level as appropriate to maintain their financial and operational integrity.

(b) A hospital's discount payment policy shall clearly state eligibility criteria based upon income consistent with the application of the federal poverty level. The discount payment policy shall also include an extended payment plan to allow payment of the discounted price over time. The policy shall provide that the hospital and the patient may negotiate the terms of the payment plan.

(c) The charity care policy shall state clearly the eligibility criteria for charity care. In determining eligibility under its charity care policy, a hospital may consider income and monetary assets of the patient. For purposes of this determination, monetary assets shall not include retirement or deferred compensation plans qualified under the Internal Revenue Code, or nonqualified deferred compensation plans. Furthermore, the first ten thousand dollars (\$10,000) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) be counted in determining eligibility.

(d) A hospital shall limit expected payment for services it provides to a patient at or below 350 percent of the federal poverty level, as defined in subdivision (b) of Section 124700, eligible under its discount payment policy to the amount of payment the hospital would expect, in good faith, to receive for providing services from Medicare, Medi-Cal, Healthy Families, or another government-sponsored health program of health benefits in which the hospital participates, whichever is greater. If the hospital provides a service for which there is no established payment by Medicare or any other government-sponsored program of health benefits in which the hospital participates, the hospital shall establish an appropriate discounted payment.

(e) A patient, or patient's legal representative, who requests a discounted payment, charity care, or other assistance in meeting his or her financial obligation to the hospital shall make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. If the person requests charity care or a discounted payment and fails to provide information that

1 is reasonable and necessary for the hospital to make a
2 determination, the hospital may consider that failure in making its
3 determination.

4 (1) For purposes of determining eligibility for discounted
5 payment, documentation of income shall be limited to recent pay
6 stubs or income tax returns.

7 (2) For purposes of determining eligibility for charity care,
8 documentation of assets may include information on all monetary
9 assets, but shall not include statements on retirement or deferred
10 compensation plans qualified under the Internal Revenue Code,
11 or nonqualified deferred compensation plans. A hospital may
12 require waivers or releases from the patient or the patient's family,
13 authorizing the hospital to obtain account information from
14 financial or commercial institutions, or other entities that hold or
15 maintain the monetary assets, to verify their value.

16 (3) Information obtained pursuant to paragraph (1) or (2) shall
17 not be used for collections activities. This paragraph does not
18 prohibit the use of information obtained by the hospital, collection
19 agency, or assignee independently of the eligibility process for
20 charity care or discounted payment.

21 (4) Eligibility for discounted payments or charity care may be
22 determined at any time the hospital is in receipt of information
23 specified in paragraph (1) or (2), respectively.

24 ~~SEC. 3.~~

25 *SEC. 4.* Article 2 (commencing with Section 127450) is added
26 to Chapter 2.5 of Part 2 of Division 107 of the Health and Safety
27 Code, to read:

28
29 Article 2. Physician and Surgeon Fair Pricing Policies
30

31 127450. As used in this article, the following terms have the
32 following meanings:

33 (a) "Allowance for financially qualified patient" means, with
34 respect to services rendered to a financially qualified patient, an
35 allowance that is applied after the physician and surgeon's charges
36 are imposed on the patient, due to the patient's determined financial
37 inability to pay the charges.

38 (b) "Federal poverty level" means the poverty guidelines updated
39 periodically in the Federal Register by the United States
40 Department of Health and Human Services under authority of

1 subsection (2) of Section 9902 of Title 42 of the United States
2 Code.

3 (c) “Financially qualified patient” means a patient who is both
4 of the following:

5 (1) A patient who is a self-pay patient or a patient with high
6 medical costs.

7 (2) A patient who has a family income that does not exceed 350
8 percent of the federal poverty level.

9 (d) “Emergency care” means care provided in the emergency
10 department of a hospital.

11 (e) “Hospital” means a facility that is required to be licensed
12 under subdivision (a) of Section 1250, except a facility operated
13 by the State Department of Mental Health or the Department of
14 Corrections and Rehabilitation.

15 (f) “Office” means the Office of Statewide Health Planning and
16 Development.

17 (g) “Physician and surgeon” means a physician and surgeon
18 licensed pursuant to Chapter 2 (commencing with Section 2000)
19 of the Business and Professions Code who provides emergency
20 medical services in a hospital that provides emergency care.

21 (h) “Self-pay patient” means a patient who does not have
22 third-party coverage from a health insurer, health care service plan,
23 Medicare, or Medicaid, and whose injury is not a compensable
24 injury for purposes of workers’ compensation, automobile
25 insurance, or other insurance as determined and documented by
26 the physician and surgeon. Self-pay patients may include charity
27 care patients.

28 (i) “A patient with high medical costs” means a person whose
29 family income does not exceed 350 percent of the federal poverty
30 level if that individual does not receive a discounted rate from the
31 physician and surgeon as a result of his or her third-party coverage.
32 For these purposes, “high medical costs” means any of the
33 following:

34 (1) Annual out-of-pocket costs incurred by the individual at the
35 hospital that provided emergency care that exceed 10 percent of
36 the patient’s family income in the prior 12 months.

37 (2) Annual out-of-pocket expenses that exceed 10 percent of
38 the patient’s family income, if the patient provides documentation
39 of the patient’s medical expenses paid by the patient or the patient’s

1 family in the prior 12 months. The physician and surgeon may
2 waive the request for documentation.

3 (3) A lower level determined by the physician and surgeon in
4 accordance with the physician and surgeon's discounted payment
5 policy.

6 (j) "Patient's family" means the following:

7 (1) For persons 18 years of age and older, spouse, domestic
8 partner, as defined in Section 297 of the Family Code, and
9 dependent children under 21 years of age, whether living at home
10 or not.

11 (2) For persons under 18 years of age, parent, caretaker relatives,
12 and other children under 21 years of age of the parent or caretaker
13 relative.

14 127451. A violation of this article shall not constitute a
15 violation of the terms of a physician and surgeon's licensure.

16 127452. (a) Uninsured patients or patients with high medical
17 costs who are at or below 350 percent of the federal poverty level
18 shall be eligible to apply to a physician and surgeon for a discount
19 payment pursuant to a discount payment policy. Notwithstanding
20 any other provision of this article, a physician and surgeon may
21 choose to grant eligibility for a discount payment policy to patients
22 with incomes over 350 percent of the federal poverty level.

23 (b) A physician and surgeon shall limit expected payment for
24 services provided to a patient at or below 350 percent of the federal
25 poverty level and who is eligible under the physician and surgeon's
26 ~~discount payment policy to the amount of payment that the~~
27 ~~physician and surgeon would expect, in good faith, to receive as~~
28 ~~a rate, as determined by the nonprofit FAIR Health, a database~~
29 ~~established to provide fair and independent research on rates paid~~
30 ~~to physicians and surgeons. Until the database contains information~~
31 ~~for care provided in California, the amount of payment shall be~~
32 ~~limited to the higher of the amount that the physician and surgeon~~
33 ~~would receive for providing services under Medicare, Medi-Cal,~~
34 ~~Healthy Families, or another government-sponsored health~~
35 ~~program. discount payment policy to an amount that is no greater~~
36 ~~than 50 percent of the median of billed charges based on a~~
37 ~~nationally recognized database of physician and surgeon charges~~
38 ~~until the nonprofit FAIR Health, Inc. creates a database that makes~~
39 ~~available the rate of payment received by physicians from~~
40 ~~commercial insurers for the same services in the same or similar~~

1 *geographic region. When FAIR Health, Inc. makes available the*
2 *rate of payment received by physicians and surgeons from*
3 *commercial insurers for the same services in the same or similar*
4 *geographic region, the amount of expected payment under this*
5 *section shall be no greater than the median or average of rates*
6 *paid by commercial insurers for the same or similar services in*
7 *the same or similar geographic region.*

8 (c) (1) If a physician and surgeon seeks reimbursement from
9 the Maddy Fund pursuant to Section 1797.98c, then the physician
10 and surgeon shall, at that time, cease any further billing or
11 collection activity for that patient.

12 (2) If the physician and surgeon does not receive reimbursement
13 from the Maddy Fund after attempting to obtain reimbursement
14 from the Maddy Fund, then the provisions of this article shall
15 apply.

16 (3) If the physician and surgeon does not attempt to seek
17 reimbursement from the Maddy Fund, the provisions of this article
18 shall apply.

19 (d) A patient, or patient's legal representative, who requests a
20 discounted payment or other assistance in meeting his or her
21 financial obligation to the physician and surgeon shall make every
22 reasonable effort to provide the physician and surgeon with
23 documentation of income and health benefits coverage, if the
24 physician and surgeon requests the documentation. If the patient,
25 or the patient's legal representative, requests a discounted payment
26 and fails to provide information that is reasonable and necessary
27 for the physician and surgeon to make a determination, the
28 physician and surgeon may consider that failure in making its
29 determination.

30 (1) For purposes of determining eligibility for discounted
31 payment, the physician and surgeon may rely on the determination
32 made by the hospital at which emergency care was provided. If
33 the physician and surgeon chooses to make a separate
34 determination of eligibility for discounted payment, documentation
35 of income shall be limited to recent pay stubs or income tax returns.
36 The physician and surgeon at his or her discretion, may accept
37 self-attestation by a patient, or a patient's legal representative, but
38 shall not request documentation of income other than that
39 authorized in this paragraph.

1 (2) Information obtained pursuant to paragraph (1) shall not be
2 used for collections activities. This paragraph does not prohibit
3 the use of information obtained by the physician and surgeon,
4 collection agency, or assignee ~~independently~~ *independent* of the
5 eligibility process for discounted payment.

6 (3) Eligibility for discounted payments may be determined at
7 any time the physician and surgeon is in receipt of information
8 specified in paragraph (1) or (2), respectively.

9 ~~127453. Each physician and surgeon providing emergency~~
10 ~~medical services shall provide patients with a written notice that~~
11 ~~shall contain information about availability of the physician and~~
12 ~~surgeon's discount payment policy, including information about~~
13 ~~eligibility, as well as contact information for an employee of the~~
14 ~~physician and surgeon or other entity from which the person may~~
15 ~~obtain further information about this policy. The notice shall also~~
16 ~~be provided to patients who receive emergency care and who may~~
17 ~~be billed for that care, but who were not admitted. The notice shall~~
18 ~~be provided in English, and in languages other than English. The~~
19 ~~languages to be provided shall be determined in a manner similar~~
20 ~~to that required pursuant to Section 12693.30 of the Insurance~~
21 ~~Code. Written correspondence to the patient required by this article~~
22 ~~shall also be in the language spoken by the patient, consistent with~~
23 ~~Section 12693.30 of the Insurance Code and applicable state and~~
24 ~~federal law.~~

25 127454. (a) Each physician and surgeon shall make all
26 reasonable efforts to obtain from the patient, or his or her
27 representative, information about whether private or public health
28 insurance or sponsorship may fully or partially cover the charges
29 for emergency services rendered by the physician and surgeon to
30 a patient, including, but not limited to, any of the following:

31 (1) Private health insurance.

32 (2) Medicare.

33 (3) The Medi-Cal program, the Healthy Families Program, the
34 California-Childrens² Children's Services Program, or other
35 publicly funded programs designed to provide comprehensive
36 health coverage.

37 (b) If a physician and surgeon bills a patient who has not
38 provided proof of coverage by a third party at the time the care is
39 provided or upon discharge, as a part of that billing, the physician

1 and surgeon shall provide the patient with a clear and conspicuous
2 notice that includes all of the following:

3 (1) A statement of charges for services rendered by the physician
4 and surgeon.

5 (2) A request that the patient inform the physician and surgeon
6 if the patient has health insurance coverage, Medicare, Healthy
7 Families, Medi-Cal, or other coverage.

8 (3) A statement that if the consumer does not have health
9 insurance coverage, the consumer may be eligible for Medicare,
10 Healthy Families, Medi-Cal, California-~~Childrens~~² *Children's*
11 Services Program, or discounted payment care.

12 (4) Information regarding the financially qualified patient and
13 discounted payment application, including the following:

14 (A) A statement that indicates that if the patient lacks, or has
15 inadequate, insurance, and meets certain low-and moderate-income
16 requirements, the patient may qualify for discounted payment.

17 (B) The name and telephone number of a physician and surgeon
18 employee or office from whom or which the patient may obtain
19 information about the physician and surgeon's discount payment
20 and policy, and how to apply for that assistance.

21 (c) (1) *In addition to the statement of the charges, if a physician*
22 *and surgeon uses the following notice in any billing, that physician*
23 *and surgeon shall be deemed to have complied with the notice*
24 *requirements of this section: "If you are uninsured or have high*
25 *medical costs, please contact _____ (name of person responsible*
26 *for discount payment policy) at _____ (area code and phone*
27 *number) for information on discounts and programs like the*
28 *Medi-Cal program. If you have coverage, please tell us so that we*
29 *may bill your plan."*

30 (2) *If a physician and surgeon or the assignee of the physician*
31 *and surgeon lacks the capacity to provide the notice specified in*
32 *paragraph (1), the physician and surgeon or his or her assignee*
33 *shall be deemed to have complied with the notice requirements of*
34 *this section if the information required under this section is*
35 *provided upon request and if the following is printed on the bill*
36 *in 14-point bold type: "If uninsured or high medical bill, call re:*
37 *discount."*

38 127455. (a) Each physician and surgeon shall have a written
39 policy about when and under whose authority patient debt is
40 advanced for collection.

(b) Each physician and surgeon shall establish a written policy defining standards and practices for the collection of debt, and shall obtain a written agreement from any agency that collects physician and surgeon receivables that it will adhere to the physician and surgeon's standards and scope of practice. The policy shall not conflict with other applicable laws and shall not be construed to create a joint venture between the physician and surgeon and the external entity, or otherwise to allow physician and surgeon governance of an external entity that collects physician and surgeon receivables. In determining the amount of a debt a physician and surgeon may seek to recover from patients who are eligible under the physician and surgeon's charity care policy or discount payment policy, the physician and surgeon may consider only income and monetary assets as limited by Section 127452.

~~(c) At time of billing, if any, each physician and surgeon shall provide a written summary consistent with Section 127453, which includes the same information concerning services and charges provided to all other patients who receive care from the physician and surgeon.~~

~~(d)~~

(c) For a patient that lacks coverage, or for a patient that provides information that he or she may be a patient with high medical costs, a physician and surgeon, any assignee of the physician and surgeon, or other owner of the patient debt, including a collection agency, shall not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 150 days after initial billing.

~~(e)~~

(d) If a patient is attempting to qualify for eligibility under the physician and surgeon's discount payment policy and is attempting in good faith to settle an outstanding bill with the physician and surgeon by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the physician and surgeon shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with this article.

~~(f)~~

(e) (1) The physician and surgeon or other assignee shall not, in dealing with patients eligible under the physician and surgeon's

1 discount payment policies, use wage garnishments or liens on
2 primary residences as a means of collecting unpaid physician and
3 surgeon bills.

4 (2) A collection agency or other assignee shall not, in dealing
5 with any patient under the physician and surgeon's discount
6 payment policy, use as a means of collecting unpaid physician and
7 surgeon bills, any of the following:

8 (A) A wage garnishment, except by order of the court upon
9 noticed motion, supported by a declaration filed by the movant
10 identifying the basis for ~~that it believes~~ *its belief* that the patient
11 has the ability to make payments on the judgment under the wage
12 garnishment, that the court shall consider in light of the size of the
13 judgment and additional information provided by the patient prior
14 to, or at, the hearing concerning the patient's ability to pay,
15 including information about probable future medical expenses
16 based on the current condition of the patient and other obligations
17 of the patient.

18 (B) Notice or conduct a sale of the patient's primary residence
19 during the life of the patient or his or her spouse, or during the
20 period a child of the patient is a minor, or a child of the patient
21 who has attained the age of majority is unable to take care of
22 himself or herself and resides in the dwelling as his or her primary
23 residence. In the event a person protected by this paragraph owns
24 more than one dwelling, the primary residence shall be the dwelling
25 that is the patient's current homestead, as defined in Section
26 704.710 of the Code of Civil Procedure or was the patient's
27 homestead at the time of the death of a person other than the patient
28 who is asserting the protections of this paragraph.

29 (3) This requirement does not preclude a physician and surgeon,
30 collection agency, or other assignee from pursuing reimbursement
31 and any enforcement remedy or remedies from third-party liability
32 settlements, tortfeasors, or other legally responsible parties.

33 ~~(g)~~

34 (f) Any extended payment plans offered by a physician and
35 surgeon to assist patients eligible under the physician and surgeon's
36 discount payment policy or any other policy adopted by the
37 physician and surgeon for assisting low-income patients with no
38 insurance or high medical costs in settling outstanding past due
39 physician and surgeon bills, shall be interest free. The physician
40 and surgeon's extended payment plan may be declared no longer

operative after the patient's failure to make all consecutive payments due during a 90-day period. Before declaring the physician and surgeon's extended payment plan no longer operative, the physician and surgeon, collection agency, or assignee shall make a reasonable attempt to contact the patient by ~~phone~~ *telephone* and to give notice in writing that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan. Prior to the physician and surgeon's extended payment plan being declared inoperative, the physician and surgeon, collection agency, or assignee shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient. The physician and surgeon, collection agency, or assignee shall not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment prior to the time the extended payment plan is declared to be no longer operative. For purposes of this section, the notice and ~~phone~~ *telephone* call to the patient may be made to the last known ~~phone~~ *telephone* number and address of the patient.

~~(h)~~

(g) Nothing in this section shall be construed to diminish or eliminate any protections consumers have under existing federal and state debt collection laws, or any other consumer protections available under state or federal law. If the patient fails to make all consecutive payments for 90 days and fails to renegotiate a payment plan, this subdivision does not limit or alter the obligation of the patient to make payments on the obligation owing to the physician and surgeon pursuant to any contract or applicable statute from the date that the extended payment plan is declared no longer operative, as set forth in subdivision ~~(g)~~ (f).

127456. (a) The period described in Section 127455 shall be extended if the patient has a pending appeal for coverage of the services, until a final determination of that appeal is made, if the patient makes a reasonable effort to communicate with the physician and surgeon about the progress of any pending appeals.

(b) For purposes of this section, "pending appeal" includes any of the following:

(1) A grievance against a contracting health care service plan, as described in Chapter 2.2 (commencing with Section 1340) of Division 2, or against an insurer, as described in Chapter 1

1 (commencing with Section 10110) of Part 2 of Division 2 of the
2 Insurance Code.

3 (2) An independent medical review, as described in Section
4 10145.3 or 10169 of the Insurance Code.

5 (3) A fair hearing for a review of a Medi-Cal claim pursuant to
6 Section 10950 of the Welfare and Institutions Code.

7 (4) An appeal regarding Medicare coverage consistent with
8 federal law and regulations.

9 127457. (a) ~~Prior~~ *After the period described in Section 127455,*
10 *and upon the completion of appeals consistent with Section 127456,*
11 *prior to commencing further* collection activities against a patient,
12 the physician and surgeon, any assignee of the physician and
13 surgeon, or other owner of the patient debt, including a collection
14 agency, shall provide the patient with a clear and conspicuous
15 written notice containing both of the following:

16 (1) A plain language summary of the patient's rights pursuant
17 to this article, the Rosenthal Fair Debt Collection Practices Act
18 (Title 1.6C (commencing with Section 1788) of Part 4 of Division
19 3 of the Civil Code), and the federal Fair Debt Collection Practices
20 Act (Subchapter V (commencing with Section 1692) of Chapter
21 41 of Title 15 of the United States Code). The summary shall
22 include a statement that the Federal Trade Commission enforces
23 the federal act. The summary shall be sufficient if it appears in
24 substantially the following form: "State and federal law require
25 debt collectors to treat you fairly and prohibit debt collectors from
26 making false statements or threats of violence, using obscene or
27 profane language, and making improper communications with
28 third parties, including your employer. Except under unusual
29 circumstances, debt collectors may not contact you before 8 a.m.
30 or after 9 p.m. In general, a debt collector may not give information
31 about your debt to another person, other than your attorney or
32 spouse. A debt collector may contact another person to confirm
33 your location or to enforce a judgment. For more information about
34 debt collection activities, you may contact the Federal Trade
35 Commission by telephone at 1-877-FTC-HELP (382-4357) or
36 online at www.ftc.gov."

37 (2) A statement that nonprofit credit counseling services may
38 be available in the area.

1 (b) The notice required by subdivision (a) shall also accompany
2 any document indicating that the commencement of collection
3 activities may occur.

4 (c) The requirements of this section shall apply to the entity
5 engaged in the collection activities. If a physician and surgeon
6 assigns or sells the debt to another entity, the obligations shall
7 apply to the entity, including a collection agency, engaged in the
8 debt collection activity.

9 127458. The physician and surgeon shall reimburse the patient
10 or patients any amount actually paid in excess of the amount due
11 under this article, including interest. Interest owed by the physician
12 and surgeon to the patient shall accrue at the rate set forth in
13 Section 685.010 of the Code of Civil Procedure, beginning on the
14 date payment by the patient is received by the ~~hospital~~ *physician*
15 *and surgeon*. However, a physician and surgeon is not required to
16 reimburse the patient or pay interest if the amount due is less than
17 five dollars (\$5). The physician and surgeon shall give the patient
18 a credit for the amount due for at least 60 days from the date the
19 amount is due.

20 127459. The rights, remedies, and penalties established by this
21 article are cumulative, and shall not supersede the rights, remedies,
22 or penalties established under other laws.

23 127460. Nothing in this article shall be construed to prohibit
24 a physician and surgeon from uniformly imposing charges from
25 its established charge schedule or published rates, nor shall this
26 article preclude the recognition of a physician and surgeon's
27 established charge schedule or published rates for purposes of
28 applying any payment limit, interim payment amount, or other
29 payment calculation based upon a physician and surgeon's rates
30 or charges under the Medi-Cal program, the Medicare Program,
31 workers' compensation, or other federal, state, or local public
32 program of health benefits. No health care service plan, insurer,
33 or any other person shall reduce the amount it would otherwise
34 reimburse a claim for physician and surgeon services because a
35 physician and surgeon has waived, or will waive, collection of all
36 or a portion of a patient's bill for physician and surgeon services
37 in accordance with the physician and surgeon's discount payment
38 policy, notwithstanding any contractual provision.

39 127461. Notwithstanding any other provision of law, the
40 amounts paid by parties for services resulting from reduced or

1 waived charges under a physician and surgeon's discounted
2 payment policy shall not constitute a physician and surgeon's
3 uniform, published, prevailing, or customary charges, its usual
4 fees to the general public, or its charges to non-Medi-Cal
5 purchasers under comparable circumstances, and shall not be used
6 to calculate a physician and surgeon's median non-Medicare or
7 ~~Medi-Cal~~ *non-Medi-Cal* charges, for purposes of any payment
8 limit under the federal Medicare Program, the Medi-Cal program,
9 or any other federal or state-financed health care program.

10 127462. To the extent that any requirement of this article results
11 in a federal determination that a physician and surgeon's
12 established charge schedule or published rates are not the physician
13 and surgeon's customary or prevailing charges for services, the
14 requirement in question shall be inoperative for all physician and
15 surgeons. The State Department of Public Health shall seek federal
16 guidance regarding modifications to the requirement in question.
17 All other requirements of this article shall remain in effect.